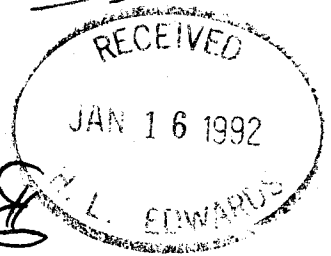


COLUMBIA FALLS ALUMINUM COMPANY

P.O. Box 10
Columbia Falls, Montana 59912
Telephone 406 892-3261

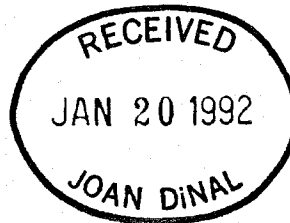
January 10, 1992

*WDL to Call Dinal, CFAC
& Mancini 1/30/92*
TO: JOAN DINAL



CERTIFIED MAIL--RETURN RECEIPT REQUESTED

Corporate Secretary
Atlantic Richfield Company
PO Box 2679 TA
Los Angeles, CA 90071



Dear Sir:

Columbia Falls Aluminum Company (CFAC) has been recently notified by the state of Montana of a groundwater/surface water contamination problem at the Columbia Falls site formerly owned by ARCO.

Since this represents a potential liability to ARCO, we are notifying you in accordance with Section 10(c) and 13(c) of the Acquisition Agreement dated September 10, 1985 between Montana Aluminum Investors Corp. and the Atlantic Richfield Company. Please refer to Brack W. Duker's letter of August 24, 1990 to Atlantic Richfield notifying ARCO specifically of these same liabilities (ref. Section 1. Groundwater Contamination and Section 2. Surface Water Contamination).

In addition, as a past owner, ARCO has potential liability under the federal or state environmental statutes, such as the Comprehensive Liability and Compensation Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Montana Comprehensive Environmental Cleanup and Responsibility Act (CECRA), and the Montana Water Quality Act (MWQA). For example, under the MWQA, the Montana Department of Health and Environmental Sciences may issue an order to any "person to clean up any material that he or his employee, agent, or subcontractor has accidentally or purposely dumped, spilled, or otherwise deposited near state waters and that may pollute them." (See sec. 75-5-601, MCA.)

I have attached two pieces of correspondence. Attachment A is the notification from the Water Quality Bureau dated December 3, 1991, and Attachment B is CFAC's response dated December 19, 1991.

Please provide us with a contact person at ARCO who will be handling this matter for Atlantic Richfield.

Sincerely,

T. F. Payne
Technical Manager

Attachments